

# Graymont Proposal Fact Sheet (November 2013)

Graymont is a Canadian private corporation headquartered in Richmond, British Columbia, with regional offices in Boucherville, Quebec; Calgary, Alberta; Bellefonte, Pa.; West Bend, Wis.; and Salt Lake City. The company produces lime and limestone.

## Graymont Proposal – Background

- Graymont approached the DNR about a land transaction in April 2012.
- The DNR issued a land use permit to allow Graymont to do exploration on state forest land.
- Graymont indicated that its area of interest would be determined based on the results of the exploration.
- Graymont began exploring for limestone in summer 2012 and finished its exploration in summer 2013.
- This resulted in an application from Graymont to obtain both limestone and the overlaying state-managed land surface.
- The application was amended through October 2013.
- In Graymont's application, the DNR would be compensated for the limestone as it is mined over the next 100 years through a royalty interest (the company will pay a royalty on each ton of limestone that's removed).
- Graymont is proposing to purchase the state-owned land which includes both the surface and the limestone.

## Graymont's Application

- Consists of four areas of state-managed land proposed for acquisition:
  - 7,820 acres would be used to develop an underground mine;
  - 1,620 acres of the Hendricks mine area would be the location of a surface (open pit) mine;
  - 840 acres would be used as the site of a processing plant, with a buffer around the actual plant; and
  - 160 acres of the Wilwin area would be the location of a surface mine.
- The state would retain a surface easement on the underground mine portion (with the exception of approximately 1,500 acres to be used for mine support infrastructure) that would include:
  - Timber management
  - Public recreational use for hunting, fishing, trapping, biking, hiking, bird watching, boating, and snowmobile, ORV and motorcycle use on designated trails
- The public would be permitted to continue to utilize those portions of the surface mine areas that are not actively being mined
- Graymont performs reclamation on surface mine areas
- Grant the state the "Right of First Offer" to purchase back the underground mine portion for \$1 and the surface mine areas at market value
- The 840 acres for the potential processing plant would be held under option by Graymont for 5 years. They may purchase some or all of that land within 5 years.

## Proposal Development

- Field staff have completed a general review of the proposal.
- They looked at the impact this proposal would have on:
  - Natural resources in the area
  - Timber management
  - Recreational activities (e.g., hunting, fishing, trail use)
  - Surface water
  - Habitat/endangered species
  - Geology
- Meetings have been held with Graymont representatives to better understand various components of the proposal and ensure that the application would be acceptable for review.
- No decision has been made at this time.

## **The DNR Process for Reviewing Graymont's Application**

*(Note: This process – with the exception of holding a public meeting – is used for all land transactions.)*

DNR utilizes a review process that considers the following perspectives:

- Environmental (DNR staff - resource/recreation review)
  - Legal (Attorney General's office)
  - Social (public comment/input)
1. Final proposal is submitted to the DNR by Graymont.
  2. DNR's Real Estate Section processes the application, prepares a review packet, and requests a mineral evaluation from the DNR's Minerals Management.
  3. Legal review is initiated with Attorney General's office and continues throughout review process
  4. Real Estate incorporates the minerals recommendation and distributes the proposal for review to local field staff.
    - The DNR's Forest Resources Division (FRD) will be appointed as the lead reviewer (which means they coordinate the review). (FRD will be taking the lead because the request is for state forest land.)
    - Additional reviewers include Wildlife, Fisheries and Parks & Recreation divisions (including state trails coordinator).
  5. Field review is completed. Lead reviewer compiles review and forwards to FRD's eastern Upper Peninsula (EUP) district supervisor.
  6. The EUP district supervisor evaluates the review from a regional perspective and provides a recommendation to the FRD forest land administrator.
  7. Forest land administrator evaluates the review from a statewide perspective and makes a recommendation to the Land Exchange Review Committee (LERC).
  8. LERC, chaired by the DNR Deputy Director, reviews the recommendation from a statewide, DNR-wide perspective and makes a decision to either deny or recommend preliminary approval.
  9. If the recommendation is preliminary approval, Graymont will receive notice to appraise the property (that includes an appraisal of the surface and the minerals), using an appraiser on the DNR's pre-approved list.
  10. After appraisals are completed and reviewed by DNR review appraiser, if they are approved, Graymont will sign a land transaction agreement (option).
  11. The DNR will host a public meeting in the proposed project area in order to offer the public additional opportunities to provide comments on the proposal, which the DNR director will use to help inform his decision.
  12. The proposed transaction will go before the DNR director for review and a decision at a public NRC meeting. The public will again have an opportunity to provide comments on the proposal at this meeting.
  13. The director will make a decision.
  14. If the director approves of the proposed transaction, the option will be executed by the Real Estate Section manager and the case will proceed to closing.

**Note:** Approval of the sale would not necessarily mean approval of mining. Any mining proposal from Graymont will have to go through regulatory review by the Department of Environmental Quality.

## **Public Review Process**

- The DNR will host a public meeting in the proposed project area in order to offer the public additional opportunities to provide comments on the proposal.
- In addition to holding a public meeting, the DNR will also accept public comment via email ([DNR-GraymontProposalComments@michigan.gov](mailto:DNR-GraymontProposalComments@michigan.gov)) until a final decision is made.
- The DNR director will make the final decision at a public Natural Resources Commission meeting, which provides yet another opportunity for public comment.